



2005 Annual Results

- International expansion
- Substantial revenue growth
- Higher dividend

19 August 2005

Agenda

- FY05 highlights
- Business overview
- Financial review
- Outlook
- Strategy update

FY05 Highlights

- Acquisition of Akzo Nobel Coating Resins
 - 38% sales revenue growth from acquired assets
 - Broadened international spread of operations and markets
- Raw material prices a challenge
 - 20 – 30% increase over prior year
 - Difficult to recover
- Market conditions soft in key major markets
 - Market shares held

Positioned for future growth

FY05 Financial Highlights

Reasonable performance in a difficult year:

- Revenue Up 42%
- EBITDA Up 10%
- Net surplus after unusual items Down 4%
- Dividend Up 6%

Result is in line with market guidance and expectations

Traditional Nuplex Resins

- EBITDA down by 7%
 - Translation impact from strong NZ\$ (63%)
 - First year China loss \$0.7 m (20%)
- Market demand changed sharply in H2
 - Australia, US and Asia in particular
 - Market share steady but some product and customer churn
- Raw material costs grew 20 - 30%
 - Good record of recovery

	% of Group Sales Revenue	% of Group EBITDA
FY05	44%	59%
FY04	61%	70%

New Coating Resins

- EBITDA \$12.6 million
 - Below expectations by around \$1 m
 - No long term concerns
- Market conditions variable
 - Europe, Asia, Automotive segment an issue
- High raw material costs
 - Differs in each region
 - Variable record of recovery

We remain confident of the future

Construction Products

- EBITDA growth of 40%
 - Australian businesses in profit
- Flooring
 - Resin had good demand
 - Resilient flooring slowed
 - Some loss of share
- Strong support for cladding systems
 - Market share gains
 - Leaky building syndrome an issue
 - Technology continued to develop

	% of Group Sales Revenue	% of Group EBITDA
FY05	4%	7%
FY04	6%	5%

Environmental Services

- EBITDA and revenue growth of 13%
- Industrial Waste businesses solid performers
 - Efficiency gains
 - Grew market share
- Medical Waste made sound contribution
 - Sharpsmart still growing

	% of Group Sales Revenue	% of Group EBITDA
FY05	3%	8%
FY04	4%	8%

Specialty Products

- EBITDA down by 34%
 - Distribution strong, manufacturing very weak
- New businesses gave mixed short term results
 - Megachem & CDC acquisitions
 - Vietnam
- Well developed recovery strategy
 - Implemented through 2005/06
 - Full impact 2006/07

	% of Group Sales Revenue	% of Group EBITDA
FY05	21%	10%
FY04	29%	17%

Unusual items

- Translation of Foreign Profits

- Asia	(\$414k)
- Australia	(\$2,244k)

- Unusual items

- FX gains on loan repayments	\$1,966k
- Write off of Stericorp loan	(\$1,514k)
- Australian Tax uplift	\$690k
- Release of Medismart Provision	\$1,400k
- Write off of unsuccessful acquisition	(\$1,279k)

Translation effect	(\$2.658 million)
Unusual items total	\$1.263 million

Cash Flow

- Cash flow from Operations up by \$32m
- Additional investment in
 - Inventories (\$15.2m)
 - Receivables (\$16.5m)
 - Payables \$39.2 m

Further reduction to be a greater focus for management

Capital Expenditure

	2005	2004
– Sustenance	\$3.8m	\$8.5m
– Compliance	\$10.5m	\$2.7m
– Growth	\$5.3m	\$6.9m
– Total	\$19.6m	\$18.1m

Spend a little lower than expected

Funding

	2005	2004
• Gearing Ratio		
– Bank Debt / Total Debt plus Equity		
	45%	32%
• Interest Cover		
– Total Interest / EBIT		
	3.8 times	4.1 times

Balance Sheet is not stressed

Dividend

	2005	2004
– Dividend (NZ cps)	26.5	24.5

- Dividend reinvestment plan

- Reintroduced
- \$0.10 per share discount
- View is to achieve small increase in funds
- Further acquisitions in view

8% increase in dividend

Outlook

- Demand

- Variable by geographic segment
 - Oceania similar to 2005
 - Asia much stronger
 - Americas – auto market to recover
 - Europe – better volume
- Interest rates to remain low
- China businesses to move into profit

- Raw Materials

- Softer during H1 but continued volatility
- Oil price to have impact
- Market will show reasonable discipline
 - Demand must return to achieve this

Outlook

- Profit

- Market consensus of NPAT is around \$35.2m
- We have no additional information to provide other guidance
 - Will update at the Annual Meeting

- Cash

- Capital expenditure requirements = Depreciation
- Focus on releasing working capital
- Expect to generate significant cash flow

Strategy Update

- **Minor businesses - unchanged**
 - Manage for sustained performance & cash
 - Align businesses to core competencies
- **Specialty Products**
 - Implement recovery strategy
 - Seek bolt on acquisitions to strengthen key businesses
 - Deliver cash and appropriate return on funds employed in 2006/07
- **Resins**
 - Continue international expansion in selected segments
 - Take the low hanging fruit quickly
 - Achieve operational efficiencies
 - Complete integration
 - Optimise technology investment

